

Action Item

*California Postsecondary Education Commission*

Approval of the Minutes of the December 2-3, 2002  
and December 13, 2002, Meetings

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# MINUTES

## *California Postsecondary Education Commission*

### Meeting of December 2-3, 2002

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**Commissioners present December 2**

Alan S. Arkatov *Chair*  
Carol Chandler, *Vice Chair*  
Irwin S. Field  
Odessa P. Johnson  
Ralph R. Pesqueira  
Guillermo Rodriguez, Jr.\*  
Rachel E. Shetka  
Olivia K. Singh  
Faye Washington  
Howard Welinsky

*\*Present on December 3 only*

**Commissioners absent**

George T. Caplan  
Susan Hammer  
Evonne Seron Schulze  
Anthony M. Vitti  
Melinda G. Wilson

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**Call to order** Commission Chair Arkatov called the Monday, December 2, 2002 California Postsecondary Education Commission meeting to order at 11:40 a.m. at the California State Capitol, Room 112, Sacramento, California 95814. He called the Commission into Executive Session to discuss personnel matters.

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**Call of the roll** Upon completion of its Executive Session, Chair Arkatov convened the Commission for its public session. He asked Executive Secretary Anna Gomez to call the roll. All Commissioners were present except Commissioners Caplan, Hammer, Rodriguez, Schulze, and Wilson. Alternate Commissioner Pesqueira was also present.

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**Report of the Executive Session** Chair Arkatov reported that during its Executive Session the Commission discussed issues related to its role, staffing, and budget. Chair Arkatov reported that the Commission would hold a conference call meeting regarding the Executive Director's position and budget related matters later in December 2002. Chair Arkatov also commended Interim Director Moore for his work on behalf of the Commission.

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**Discussion Session** *Impact of California Demographic, Educational, and Political Trends on Higher Education Policies and Priorities*

Chair Arkatov called on Director Moore to brief the Commission regarding three presentations scheduled for the day.

Director Moore reported that the first session would be cancelled because the presenter, Dr. Harry P. Pachon, had taken ill and would not be available to make his presentation.

Director Moore then called on staff member Karl Engelbach to discuss issues regarding adjustments in student fee levels over the course of the next two years in light of the state's current budget circumstances.

Mr. Engelbach presented the Commission with a handout that demonstrated the effect of various percentage increases in student fees with respect to University of California and California State University budgets. He noted that in spite of fee increases, several offsets are required for financial aid. He also discussed the implications of a fee increase for the community colleges, and noted that any increase in fees for that segment would be an offset to general fund revenue.

The Commission then entered into a lengthy discussion regarding the implications of student fee increases.

Commissioner Pesqueira asked if Mr. Engelbach had done an analysis of comparison institution fees.

Mr. Engelbach responded that the Commission has published two fact sheets that provide comparison institution information for both the University and State University. He noted that the cost-of-housing and general cost-of-living in California was higher than that at the comparison institutions. He also stated that when cost of living considerations are included in the analysis, California, which has relatively low fees, comes close to the average cost of attendance at the comparison institutions, which have higher student fees or tuition.

Commissioner Field asked if information was available regarding fees increases expected this year at the University and State University comparison institutions. He also inquired whether the Commission should deal with this issue before its February meeting, by which time the segments may have adjusted their fees.

Mr. Engelbach responded that comparison institution fee increase data are available, and that the Commission would be discussing long-range fee policy at its meeting the next day.

Commissioner Pesqueira stated that the governing boards of the University and State University might make decisions regarding changes in fees that the Legislature might adjust or revise. He suggested the Commission play a more active role in fee policy.

Commissioner Washington asked whether financial aid set-asides were set in concrete.

Mr. Engelbach noted that current fee policy is to set aside one-third of all fee revenue for financial aid. He also indicated that Cal Grants are not a fixed amount, and that it was uncertain what the future practice for determining financial aid would be in light of the state's budget problems.

Commissioner Washington noted her concern about the effect of fee increases on students, and asked whether they would be aware of the fee increases.

Mr. Engelbach responded that the Commission supported informing students as soon as possible regarding any fee increases.

Commissioner Chandler stated that the Commission should have goals and objectives of gradual and predictable fees. She noted that the segments should not take draconian measures by simply increasing fees.

Commissioner Pesqueira responded that State University students pay about one-third the cost of their education. He suggested that the Commission establish a similar policy that would make student fees some percentage of the cost of education.

Commissioner Welinsky stated that he hoped that fee increases would never be necessary. He indicated, however, that fee increases would be necessary to offset budget shortfalls this year. He suggested that the Commission go on record as stating that a fee increase was necessary.

Commissioner Johnson stated that there is never a good time to raise fees. She argued that fee increases should be moderate and predictable. Commissioner Johnson asked how underrepresented students would be affected by fee increases.

Mr. Engelbach responded that if higher education budgets were reduced and fees not increased, access would be limited or reduced. He noted that even with fee increases, the state's objective is to provide access to as many students as possible.

Commissioner Field responded that most underrepresented students in California still have an opportunity to attend a college or university. He also requested that data be presented regarding the cost of attending California colleges and universities to the median cost of similar colleges and universities throughout the nation.

Commissioner Pesqueira noted the differences in the fees of the State University to its group of comparison institutions.

Mr. Engelbach reiterated the effect of the cost-of-living in California on a student's total cost of attendance.

Chair Arkatov stated that fees at the University and State University are low when compared to other institutions.

Mr. Engelbach responded that the total cost of attending a California institution was similar to other comparable institutions nationwide when taking into consideration housing and transportation costs.

Commissioner Pesqueira stated that many of the State University's comparison institutions had missions dissimilar to that of the State University.

Mr. Engelbach responded that the institutions used for student fee comparisons were the same as those used for faculty salary comparisons. He noted that the State University's faculty would object to any change in the current list of comparators.

Commissioner Field suggested that different institutions should be used for student fee comparisons.

Mr. Engelbach responded that it would be possible to develop a different group of comparators for student fee analyses.

Chair Arkatov asked if any studies had been conducted regarding the actual cost to the State for higher education instruction and administration.

Mr. Engelbach responded that the Commission's Report *Fiscal Profiles* included a display that showed information on instructionally related costs. However, he noted that no comparison institution information was available.

Chair Arkatov asked if data were available on the cost of facilities.

Mr. Engelbach responded that such information was not available.

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<b>Recess</b>	There being no further discussion, Chair Arkatov recessed the Commission until 1:30 p.m.
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<b>Reconvene</b>	Chair Arkatov reconvened the Commission at 1:30 p.m.
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<b>Discussion Session</b>	Dr. Sara Lundquist made a presentation to the Commission titled, "Access & Equity Reconsidered: Untangling the Complexities of a Scarcity Universe & the Implications for California." Dr. Lundquist began her presentation by explaining that it would cover two areas — the first on the implications of the state's changing demographics on access and equity and the second on the Santa Ana partnership.
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Dr. Lundquist noted that California has grown at a rate considerably faster than the rest of the United States, and that White students have continually enrolled in more Advanced Placement (AP) coursework and subsequently taken more AP tests than Hispanic students despite the growth of that population. Further, she noted that within a ten-year span, there was nearly an 8% increase in the total number of students in all ethnic groups in California who had completed the "A to F" requirements, but only a 3% increase for Hispanic students completing "A to F" requirements. She used several slides to highlight that, despite the growth of the Hispanic population, that growth is not reflected in A to F completion or in CSU and UC enrollment rates.

Dr. Lundquist also used the data to explain that a large number of African-American and Hispanic students are failing to transfer to the CSU and UC system, noting that there is a significant gap between the number of students enrolled in elementary and middle school and the number of students that enroll in college.

She concluded her presentation by describing the Santa Ana College partnership with the University of California Irvine and California State University, Fullerton with Santa Ana Unified School District. She focused in particular on the effort to improve students performance in algebra.

Chair Arkatov thanked Dr. Lundquist for her presentation and asked if the High School Exit Exam would affect the numbers she had indicated.

Dr. Lundquist responded that it wasn't clear as to when the exit exam will be implemented.

Chair Arkatov asked how the Santa Ana partnership in conjunction with the exam might impact college-going rates.

Dr. Lundquist responded that it was difficult to determine because the partnership had focused thus far on mathematics and language arts college courses that have been placed on school sites; thus providing the opportunity for students to have a double period of Math or English.

Commissioner Johnson asked Dr. Lundquist to comment on how well requiring the "A to F" requirements is working in the district.

Dr. Lundquist explained that it was necessary to teach math by removing the extracurricular subjects from the curricula. Such an approach requires people to reorient their thinking and that is sometimes controversial.

Commissioner Vitti added an anecdote that a Chinese education representative thought there was too much fluff in the American education curriculum.

Dr. Lundquist noted that taking the extra components out of the curriculum does not enrich the American experience.

Commissioner Vitti asked if students who do not want to go to college are being neglected and if it is possible to create a curriculum for the student who is not going to college.

Dr. Lundquist explained that advanced education should prepare students to have the ability to make a choice. Literacy and other skills are basic and should be taught to students.

Chair Arkatov asked if financial aid impacts the numbers.

Dr. Lundquist explained that she is pleased with the Cal Grant entitlement but the Cal Grant does not guarantee access to everyone because the grant is only made available to legal residents.

Chair Arkatov asked when the results of this research would be published.

Dr. Lundquist responded that she expected them sometime this year.

Chair Arkatov said he expects to have Dr. Lundquist back again next year and thanked her for her presentation.

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<b>Recess</b>	There being no further discussion, Chair Arkatov recessed the Commission until 2:35 p.m.
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<b>Reconvene</b>	Chair Arkatov reconvened the Commission at 2:40 p.m.
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**Discussion Session** Mark Baldassare, Director of Research at the Public Policy Institute of California in San Francisco, addressed the Commissioners about California's demographic, social, and political trends and the challenges they pose for policy makers. His presentation included findings from an intensive two years of surveys and focus groups. Mr. Baldassare outlined four major themes that contribute to what he calls the "politics of change".

The first theme is simply the sheer and staggering population growth of the state. Secondly, he noted the changes that have taken place with regard to that population, specifically the increase in immigration, (particularly from Mexico), as well as births to immigrants. Thirdly, he discussed the population shifts in terms of geographic location. The San Francisco Bay Area and the Los Angeles Area, and coastal areas in general, used to dominate with their large population centers. The population is now moving away from the coastal areas toward the San Joaquin Valley, the Inland Empire and Orange County. The fourth theme Mr. Baldassare raised was the trend in voter distrust, evidenced by lower voting turnout in the last two statewide elections as well as the use of the ballot box to make policy decision such as the recent propositions passed on the November ballot.

Mr. Baldassare concluded his remarks by noting two contradictory trends that are emerging. The Latino population will have more power in voting, so it would be assumed that they would typically support larger government with more services. On the other hand as the white population is aging but living longer, it is expected that these older voters will also have increasing influence and will support more conservative policies.

Commissioner Welinsky questioned Mr. Baldassare about the fact that his newest book does not reference higher education. Mr. Baldassare responded that he believes the state must focus on graduation from high school, and ensuring that young people were *prepared* for higher education.

Chair Arkatov inquired about what Mr. Baldassare believes the public wants from higher education. Mr. Baldassare replied that everyone wants more and different things from higher education. He noted that in his experience, new K-12 facilities are always a high priority for people. In addition, he stated that he still believes that access to higher education is part of the future for the State.

Commissioner Chandler queried the presenter about how we get people to realize the importance of higher education. Mr. Baldassare responded that all entities, public and private, individual and group, should be partnering and working together to this end.

Mr. Baldassare added that the Public Policy Institute of California would be looking at a two-pronged issue soon. He will be doing research on community college funding, and the populations that are being served by the community colleges.

Chair Arkatov concluded the presentation by offering the Commission as a resource in future efforts by the Institute, and offered to share higher education data for the future project. In addition, Mr. Baldassare stated that he would welcome the Commission's suggestions on future survey questions.



<b>Recess</b>	There being no further business, the chair recessed the meeting at 3:10 p.m.
<b>Reconvene</b>	Chair Arkatov reconvened the called the Tuesday, December 3, 2002 meeting of the California Postsecondary Education Commission at 8:40 a.m. at the California State Capitol, Room 437, Sacramento, California 95814.
<b>Call of the roll</b>	Chair Arkatov asked Executive Secretary Anna Gomez to call the roll. All Commissioners were present except Commissioners Caplan, Hammer, Schulze, and Wilson. Alternate Commissioner Pesqueira was also present.
<b>Approval of the October 8, 2002, minutes</b>	Chair Arkatov called on the Commission to review the minutes and asked for approval. Commissioner Chandler moved their approval, with Commissioner Field seconding. The Commission unanimously approved the minutes.
<b>Report of the Statutory Advisory Committee</b>	<p>Chair Arkatov called on Mr. Todd Greenspan, Chair of the Commission's Statutory Advisory Committee, to make the Committee's report. Mr. Greenspan reported that the Committee discussed Commission agenda items, particularly the "Nursing" and the "Cross-Enrollment" reports. He continued that the Statutory Advisory Committee was scheduling a special meeting on the pending 2003-04 fiscal year budget to be held sometime in mid-January. He said that the Statutory Advisory Committee wants to become more active in assisting the Commission with its work.</p> <p>Mr. Greenspan then presented leadership and membership changes to the Statutory Advisory Committee, noting that new officers had been elected. Mr. Ron Fox of the California Department of Education is the incoming Chair and Ms. Karen Yelverton-Zamarripa of the Chancellor's Office of the California State University is the incoming Vice-Chair. Mr. Greenspan concluded thanking the retiring Mr. David Leveille of the Commission for his years of service and noting Ms. Diana Michel-Fuentes has replaced Ms. Gweneth Tracy as the representative from the California Community College's Chancellor's Office.</p>
<b>Report of the Executive Director</b>	<p>Director Moore called on staff member Adrian Griffin to present a draft item providing educational and demographic profiles for State electoral districts. Dr. Griffin described the item as district-level information on residents within a context to assist the reader in understanding the information. He noted that the maps show differential rates of college going and overall educational attainment. Dr. Griffin continued that information in these "legislative profiles" is presented by ethnicity, age and geography and includes employment statistics and other pieces of information to compliment the educational data.</p> <p>Dr. Griffin concluded that the information shows many inequities in educational and employment success in the State for various regions and population sub-groups.</p> <p>Commissioner Pesqueira asked Dr. Griffin questions about the how current the information was. Dr. Griffin responded that the data were from the U.S. 2000 census,</p>

supplemented with more current Commission data. Commissioner Rodriguez asked if Commission staff had spoken with State policy makers on which data elements to include in these profiles. Director Moore responded that Commission staff had worked with policy makers and staff to improve the document and noted that the legislative profiles are not “static” and would be improved as they are kept current.

Chair Arkatov thanked Director Moore and Dr. Griffin for the presentation and encouraged staff to seek out other non-education trend information that may be of interest to members for inclusion in the legislative profiles.

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<b>Budget forecast</b>	Director Moore summarized recent State budget developments, noting that the State’s overall fiscal condition was still weak and that reductions to State operations for the current year are highly likely. He said the Commission would not be exempt from these cuts but that he did not expect current-year reductions to the Commission to be greater than those to other areas of the State budget.
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<b>Eligibility study</b>	Director Moore stated that Commission staff was close to wrapping up its work on the study and then having the California State University and University of California evaluate the high school transcripts. He noted that, given the State’s severe fiscal problems, this project could become a victim of upcoming budget cuts. He said that the Commission would have a better sense of the progress on this study by early 2003.
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<b>Measuring up</b>	Director Moore described this Commission staff effort to present an analysis of the upcoming 2003-04 fiscal year budget that follows important themes, such as access, across higher education systems. He stated that this sort of evaluation would allow the Commission to better advocate the Commission’s priorities on budget allocations proposals. Director Moore also said that the legislative budget and policy committees are going to work more closely together this year and that the Commission will provide assistance to both.
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<b>Legislative Analyst's Office review of the Commission</b>	Ms. Sona Nagar, Fiscal and Policy Analyst with the Legislative Analyst’s Office, presented a brief overview of its review of the Commission, which was called for in the 2002-03 Budget. She noted that her office has solicited input and had convened an advisory committee to assist with this task. She noted that the advisory committee had offered varied opinions on the Commission to the Analyst’s Office. She stated that the general consensus of all concerned was that the Commission lacked sufficient resources to complete its many mandates and responsibilities. She said there was less agreement on other topics that were part of this examination, such as what the Commission’s priorities should be.
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Commissioners Pesqueira and Arkatov asked Ms. Nagar questions about the composition of the advisory committee and about the documents it was reviewing on the role of the Commission. Ms. Nagar responded that the Legislative Analyst’s Office drew advisory committee members from many stakeholder groups, included Commission staff

and representatives from the education systems. She said the Analyst's office had reviewed the recently completed Masterplan for Kindergarten through University, the 1998 report by the California Citizens Commission on Higher Education, and other reports in conducting this review.

Commissioner Rodriguez asked Ms. Nagar how the Legislative Analyst's Office was addressing that part of the study's legislative mandate dealing with the governance of the Commission. Ms. Nagar responded that governance was one of the areas for which no consensus existed in the advisory committee and that the Analyst's Office would provide its opinions in this area, and other areas of this examination for which no consensus exists.

Ms. Nagar concluded that the Legislative Analyst's Office would complete its work on the review of the Commission by mid-December and would transmit its report to the Legislature.

Chair Arkatov and Director Moore thanked Ms. Nagar for her presentation and, with that, Director Moore concluded his report.

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### **Nursing study**

Chair Arkatov called on staff member Murray Haberman provide an update on the status of the Commission's report on Community College Nursing Program Admission Practices and Attrition rates. Mr. Haberman noted that the Commission's report was in response to Senate Bill 644 (Poochigian). Mr. Haberman introduced project researchers Dr. Jean Ann Seago and Dr. Joanne Spetz of the University of California. He provided a brief overview on this study.

Drs. Seago and Spetz introduced their work and made a presentation on their research to date. They discussed admissions practices, program attrition, and pass/fail rates for the State's nurse licensing exam. They concluded their presentation by discussing those factors that support nursing student persistence in nursing programs, including student support services and better student preparation in mathematics and science. They noted that factors leading to higher pass rates on the licensing exam include lower student:faculty ratios in the nursing programs and mentioned that standardizing nursing programs curricula across the colleges as being beneficial to student performance.

Commissioner Pesqueira asked if the duties of Bachelor degree holders in nursing differed with those for Associate degree holders. Dr. Seago responded that salaries and job duties were generally the same for both Associate and Bachelor degree holders in a hospital setting; however, she noted that Bachelor degree holders were viewed as having more "upward mobility" for administration and clinical jobs and for obtaining a Masters degree in nursing.

Commissioner Johnson asked the researchers what could be done to better prepare high school students for success in nursing programs. Dr. Spetz responded that better preparation in mathematics and science would improve student persistence to degrees and nursing exam pass-rates.

Commissioner Pesqueira then the researchers why local community colleges would resist standardizing the curricula of their respective nursing programs. Dr. Seago replied

that courses within the nursing curricula are part of discussions regarding local academic needs, and include courses taken by nursing students that may have nothing to do with the nursing program. She noted that the California State University is in the process of standardizing the curriculum for their nursing programs.

Mr. Haberman concluded the presentation of this item and said that a written report will be brought back to the Commission at its February meeting. Chair Arkatov thanked Mr. Haberman, Dr. Seago, and Dr. Spetz for their work on this project.

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**Cross enrollment**

Chair Arkatov called on staff member Mr. Murray Haberman to present a report that evaluates the State's Cross Enrollment Program. Mr. Haberman Noted that the report was in response to Senate Bill 1914 (Killea). He provided background on the Cross Enrollment Program and summarized the report's findings. He noted that much of the data needed to evaluate this program was not available. He said that many community colleges do not participate in the program because they receive no enrollment funding for those student who choose to participate.

Mr. Haberman said that some California State Universities do not participate in the program due to the lack of participation of area community colleges. He said that all nine University of California campuses participate in the program. Mr. Haberman noted that statewide, less than one half of one percent of all students enrolled at public colleges and universities participate in the program. He noted that while the cross enrollment program is presently underutilized, good reasons exist for its continuance. He listed several suggested improvements regarding the operation of the program, including: improved funding, better coordination of programs, better data collection, and better advertising.

Chair Arkatov recommended that the Commission further discuss this report at the February Commission meeting and asked that all Commissioners to provide Director Moore with any comments they may have concerning this item.

Chair Arkatov thanked Mr. Haberman for his work on this report.

**Agenda Item 6: Needs Analysis Review for the Learning Center Proposed by the Mira Costa Community College District**

Chair Arkatov called on consultant Mr. William Storey to present this item. Mr. Storey provided background on this proposed off-campus center. He noted that the center in Oceanside will be locally financed and will offer non-credit and other classes. He said that the Mira Costa district was committed to the center, but he cautioned that in the current budgetary climate, the possibility exists for an overall operating budget shortfall at the same time there is surplus in capital outlay funds.

Mr. Storey said that he was satisfied with the information provided on the center and that the proposal meets all of the requirements of the Commission's guidelines for reviewing these centers. He recommended that the Commission approve the center as an official California Community College educational center when the item comes back to the Commission in February.

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**A preliminary  
study of  
undergraduate  
regional enrollment  
demand and  
physical capacity  
for the University  
of California**

Chair Arkatov called on Dr. Stacy Wilson to present this item. Dr. Wilson began by reviewing the major findings of the Commission's regional enrollment demand study of the California State University and the California Community Colleges that was adopted December 2001. He said that given the projected increases in first-time freshmen and transfer students, the UC system would likely face a 24,000 FTES capacity by year 2010 without receiving appropriate capital outlay funding. He mentioned that the UC Office of the President is undertaking a range of initiatives to address the problem, including: requesting that campuses consider increasing their long-range development planning (LRDP) enrollment limits, accelerating conversions to year-round operations, and opening the Merced campuses next year rather than in 2005.

Dr. Wilson then discussed UC enrollment points two of entry, high school graduates and transfer students. He noted that admissions applications from among high school graduates have tended to hold up during economic downturns, although rates vary across the state.

Commissioner Field inquired as to whether attempts to address projected near-term space deficits might lead to the State being "overbuilt" in higher education facilities relative to need. Dr. Wilson and UC representative Mr. Todd Greenspan responded that they doubted this would be the case given the scope of the need and the potential for increased enrollments beyond the timeframe included in these projections.

Dr. Wilson concluded, with representatives from the UC and the Department of Finance's Demographic Research Unit concurring, that California needed a longer horizon for higher education enrollments projections in order to properly prepare for changes in enrollments over time.

Chair Arkatov thanked Dr. Wilson for his presentation.

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**Recommendations  
to increase the  
postsecondary  
education  
opportunities for  
residents of  
Superior California**

Chair Arkatov introduced Mr. Karl Engelbach and Consultant Mr. William Storey. Mr. Engelbach noted that, based on Commissioner's input and the availability of updated information, minor changes had been made to the report since the first draft was presented to the Commission in October, 2002. He said that six recommendations had been added to the report and he briefly summarized them.

Chair Arkatov complimented Mr. Engelbach and Mr. Storey for the report and said that staff should brief legislators from the area on its contents and recommendations

Commissioner Chandler asked Mr. Engelbach how the proposed changes to the Cal Grant program to expand applications deadlines in order to better facilitate educational opportunities for students of this area. Mr. Engelbach responded that the Administration and Legislature were reticent to consider making changes to the Cal Grant program that might increase its costs in the current fiscal climate. He also reminded the Commissioners of the current legislatively-mandated project to develop recommendations for improvement in the state's Cal Grant student financial aid delivery system (Agenda Item 9), which was to be discussed later that day. Mr. Engelbach said that a draft of that report is expected to be presented to the Commission in February, 2003.

With the discussion concluded, Chair Arkatov called for a vote on the item and Commissioner Welinsky made a motion to approve the report, which was seconded by Commissioner Washington. The Committee voted unanimously to approve and transmit the report.

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**Transfer patterns**

Chair Arkatov called on Ms. ZoAnn Laurente and Consultant Mr. Keith Pailthorp to present this item. This presentation focused on transfer “conduits,” which were defined as being links between individual community colleges to four-year campuses as evidenced by the numbers of successful transfers that each link accounts for. Mr. Pailthorp first presented a set of slides that provided information on current transfer goal agreements and the numbers of students transferring from individual California Community Colleges into individual State University campuses and University of California campuses. He also provided information on transfers to the State’s independent institutions.

Mr. Pailthorp and Ms. Laurente then discussed transfer and first-time freshmen enrollment trends among the historically underrepresented ethnic groups American Indians, Blacks, and Latinos. The speakers noted that students from these groups represent no larger a proportion of total transfer students than they do of total first-time freshmen. The speakers then discussed the rates at which prospective transfer students “apply,” are “admitted,” and “enroll” in the UC system and how broadly these rates vary by campus.

Mr. Pailthorp and Ms. Laurente concluded by presenting several areas in need of more extensive study in further reports. These topics included a more detailed examination of why some transfer “conduits” account for large numbers of transfers while other do not and to develop explanations for the large variances in “applied,” “admitted,” and “enrolled” rates at UC campuses.

Chair Arkatov asked the presenters if data from schools approved by the Bureau for Private Proprietary and Vocational Education (BPPVE) were included in the research. Mr. Pailthorp explained that BPPVE schools were not part of this work due to limitations on available data and the “accredited institution” nature of transfer in California. Mr. Pailthorp added that the Commission also needed better information on transfers to out-of-state institutions, since that appears to be a path taken by increasing numbers of California Community College students.

Director Moore stated that Commission staff would continue work on this topic, using both Commission and external data.

Chair Arkatov thanked Mr. Pailthorp and Ms. Laurente for their work.

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**Update on the  
Discussions of the  
Task Force to  
Consider Alternative  
Cal Grant Delivery  
Options**

Chair Arkatov introduced Mr. Karl Engelbach to present this item. Mr. Engelbach provided background on this item. He said that Supplemental Report Language to the 2002-03 State Budget directed the Commission to convene a task force to examine alternative aid delivery options for the Cal Grant student financial aid program. Mr. Engelbach said that the report would make recommendations to streamline the aid delivery process as well as suggest other alternatives.

Mr. Engelbach noted that student financial aid delivery is a complicated process, interconnected between the State, the higher education systems, and the individual campuses. He said that many of the members of the task force have varying opinions on this subject. He concluded by stating that he expected to bring a draft item on this subject to the Commission at its February meeting.

Chair Arkatov thanked Mr. Engelbach for his work.

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**Recommendations  
for a Long-Term  
Resident Student  
Fee Policy  
Framework for  
Students Enrolled  
at California's  
Public Universities**

Chair Arkatov, Director Moore and the Commissioners first discussed whether or not to delay hearing this item until an extraordinary meeting of the Commission was scheduled later in the month. Chair Arkatov then called on Mr. Karl Engelbach to present the item. Mr. Engelbach gave a brief presentation on this item, highlighting the background, preamble, and policy principles on student charges in the proposed Commission statement.

Commissioner Pesqueira suggested that the following sentence be removed from the background section of the draft policy: "The Commission and its staff are not advocating an immediate increase in student fees through these proposed policy recommendations." After discussion among Commissioners Pesqueira, Welinsky, Rodriguez, Field, and Johnson, and Chair Arkatov, the Commissioners voted to remove the sentence.

The Commissioners then voted to approve holding a special session to discuss the potential impact of the State's fiscal crisis on higher education and to make recommendations for actions at that meeting.

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**Revision of  
Commission  
Meeting Dates for  
2003 and Proposed  
Dates for 2004**

Director Moore presented this item requesting that the Commission revise its current meeting schedule for 2003 and 2004 to hold more one-day meetings and to schedule its two-day meeting for Tuesday and Wednesdays. Commissioner Chandler moved, and Commissioner Field seconded, this motion. The Commission voted unanimously to approve this revised meeting schedule.

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**Report of the  
Commission  
Nominating  
Committee**

Committee Chair Welinsky submitted the nominated slate of Commission officers for 2003, as was presented at the October 8, 2002, Commission meeting:

*Commission Chair:* Alan S. Arkatov

*Commission Vice Chair:* Howard Welinsky

*Executive Committee Chair:* Alan S. Arkatov

*Executive Committee Vice Chair:* Howard Welinsky

*Educational Policy and Programs Committee:* Carol Chandler, *Chair*; Susan Hammer, *Vice Chair*

*Fiscal Policy and Analysis Committee:* Olivia K. Singh, *Chair*; Irwin S. Field, *Vice Chair*

*Governmental Relations Committee:* Evonne Seron Schulze, *Chair*; Faye Washington, *Vice Chair*

*Committee on Education Code Section 66905: Guillermo Rodriguez, Jr., Chair*  
*Nominating Committee: Olivia K. Singh, Chair; Carol Chandler, and Irwin S. Field, Members.*

Commissioner Welinsky moved, and Commissioner Rodriguez seconded, this motion and the Commission voted unanimously to approve the officers for 2003 as nominated.

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<b>Resolutions</b>	Chair Arkatov presented resolutions to former Commissioners Kyo “Paul” Jhin, Lance Izumi, and Robert L. Moore, and retired Commission staff David E. Leveille. The Commission voted unanimously to approve these resolutions.
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<b>Adjournment</b>	There being no further business, the Chair called for adjournment of the meeting at 1:30 p.m.
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# MINUTES

## *California Postsecondary Education Commission*

### Meeting of December 13, 2002

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**Commissioners  
present  
via teleconference**

Alan S. Arkatov *Chair*  
Carol Chandler, *Vice Chair*  
George T. Caplan  
Irwin S. Field  
Odessa P. Johnson  
Rachel E. Shetka  
Olivia K. Singh  
Anthony M. Vitti  
Faye Washington  
Howard Welinsky

**Commissioners  
absent**

Susan Hammer  
Guillermo Rodriguez, Jr.  
Evonne Seron Schulze  
Melinda G. Wilson

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**Call to order** Chair Arkatov called the Friday, December 13, 2002, California Postsecondary Education Commission Special meeting to order at 11:00 a.m. at the Commission's Conference Room, 1303 'J' Street, Suite 500, Sacramento, California 95814. He called the Commission into Executive Session to discuss personnel matters.

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**Call of the roll** Upon completion of its Executive Session, Chair Arkatov convened the Commission for its public session.

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**Recommendations  
regarding  
protection  
of educational  
opportunities  
in light of State  
budget reductions**

Chair Arkatov called on Director Moore to begin the discussion. Director Moore first presented budget information provided by the California Community Colleges, the California State University, and the University of California. These materials outlined reductions proposed by the Governor for current year, along with present segmental planning to deal with these funding shortfalls. Director Moore then introduced the documents developed to facilitate the Commissioners' discussion. He directed the Commissioners in particular to a draft statement of principles and priorities and to a suggested framework for reviewing anticipated reductions in State support for California higher education, designed to help guide Commission advocacy during higher education State budget deliberations.

After Director Moore's presentation, Commissioners Johnson and Caplan inquired about sections of the staff document dealing with the scope of potential increases in student

fees. Director Moore stated that the Commission should discuss all possible funding scenarios but should focus, on maintaining student services as a priority. Commissioner Vitti said that the California State University was currently engaged in extensive planning for budget reductions and had developed its own framework for this purpose.

Commissioner Field suggested that the proposed priorities include a statement of overall principles, including the following: The Governor and Legislature should give the systems the opportunity to develop solutions and not specify reductions; decisions on mid-year reductions should not prejudice the systems' budgets in the future; student revenues generated by fee increases should stay within the system; and Cal Grant funding should be protected.

Commissioners Caplan, Shetka and Welinsky agreed with Commissioner Field's comments. Commissioner Welinsky suggested adding protection of faculty as a priority and stated that, given the size of the State's budget deficit, some increases in student fee levels will be necessary. He said that he supports the concept that no more than one-third of funds lost through budget reductions should be replaced by student fee increases, as is currently in the proposed Commission draft document.

Commissioner Johnson stated her opposition to the "one-third" approach and recommended adding a statement on student fee levels that ties fee increases to improved system efficiencies. She said that fees need to be predictable and stable. Commissioner Chandler stated her agreement with Commissioner Johnson's last point.

Director Moore said that the "framework" section could refer to the Commission's long-term student fee policy as well as the suggestions made by the Commissioners.

The Commissioners continued to discuss the content of the "framework" section of the document. Two student association representatives also spoke at the meeting. Mr. Bruce Wolf of the California State Students Association asked the Commission to recommend that the State University Trustees delay making any decision on fee levels until the full scope of budget reductions is known. Ms. Caitlin Gill, of the California State Students Association, spoke on financial aid issues, the impact of program cuts and potential increases in mandatory campus-based fees on students.

Director Moore helped conclude the discussions by noting that this Commission document was not a dictate by the Commission but rather a guide toward potential solutions in the context of Commission-adopted goals and priorities.

Chair Arkatov summarized the Commissioners discussion, highlighting suggested changes to the draft "framework" section made by several Commissioners. Commissioner Johnson suggested replacing the final three bullet points in the document with a statement that more clearly spelled out the Commission's goals and priorities during these times of budgetary shortfalls.

Commissioner Caplan moved, and Commissioner Field seconded, adoption of the framework, as proposed, to open the floor for discussion and amendment. Commissioners Arkatov, Caplan, Chandler, Field, Singh, Welinsky, and Vitti discussed Commissioner Johnson's suggested changes to the "framework" section of the document.

Director Moore and Commissioner Arkatov encourage the Commission to retain the three “bullet points” and add Commissioner Johnson’s statement. Mr. Karl Engelbach of the Commission staff explained that the purpose of the one-third limit on fees as a backfill to reductions in State General Fund support was to mitigate the levels of these reductions that may be passed along to students and to encourage the systems to look at other alternatives.

Commissioner Welinsky suggested that the “framework” section be amended to retain the last bullet point on the one third limit on revenues to be generated by student fee increases and add the text suggested by Commissioner Johnson, as amended by Commissioners Caplan and Vitti.

The Commissioners proposed to revise the “frameworks” document to read as follows:

### **Framework for Addressing the State Budgetary Reductions**

To ensure that budgetary reductions are implemented in a manner that protects access and diversity to the greatest possible extent and treats all constituencies of the higher education community (including faculty, staff, and students) in a fair and equitable manner, the Postsecondary Education Commission recommends that the State and its higher education systems develop specific plans for addressing the anticipated budgetary reductions that adhere to the specific principles and priorities outlined above.

In order to protect access, quality, and diversity and to keep any increases to student fees as gradual and moderate as reasonably possible, each of the public higher education systems should seek to identify and implement improvements in their operating efficiencies and to identify reductions in programs and services that are not related to core instructional activities. Reductions in all other areas should be fully explored prior to implementing any increases in student fees.

- ♦ If student fees are to be increased, no more than one-third of the overall segmental budget reduction should be addressed through any increase in student fees.

This amended version of the Commissions’ Principles and Priorities was approved, with Commissioners Arkatov, Chandler, Caplan, Field, Johnson, Shetka, Singh, and Welinsky voting aye, Commissioner Vitti voting no, and Commissioner Washington not voting.

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#### **Report on Executive Session**

Chair Arkatov reported that the Commission had voted unanimously to appoint Mr. Robert Moore as the permanent Executive Director of the California Postsecondary Education Commission.

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#### **Adjournment**

There being no further business, the Chair called for adjournment of the meeting at 12:45 p.m.

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